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STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: SPECIAL ECONOMIC ASSISTANCE TO INDIVIDUAL COUNTRIES OR REGIONS

Assistance for the reconstruction and development of El Salvador

Report of the Secretary-General

CONTENTS

		Paragraphs	Page
I.	BACKGROUND	1 - 8	3
II.	ECONOMIC SITUATION IN 1994-1995 AND OUTLOOK FOR 1996-1999	9 - 22	4
	A. Economic situation in 1994	9 - 14	4
	B. Economic outlook for 1995-1996	15 - 18	5
	C. Economic and social development plan for 1995-1999	19 - 22	6
III.	OBSTACLES TO AND PROSPECTS FOR THE RECONSTRUCTION PROCESS AND DEMOCRATIZATION	23 - 34	7

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CONTENTS (continued)

	Paragraphs	Page
IV. ADVANCES IN RECONSTRUCTION AND THE STRENGTHENING OF DEMOCRATIC INSTITUTIONS	35 - 48	10
A. Financial requirements and response from the international community	35 - 43	10
B. Progress and implementation of projects	44 - 48	12
Annex. Progress report on the principal programmes and projects relating to the process of national reconstruction		13

I. BACKGROUND

1. In January 1992, the peace agreements signed between the Government of El Salvador and the Frente Farabundo Martí para la Liberación Nacional (FMLN) marked the formal conclusion of 12 years of political and military conflict which had caused the loss of 75,000 lives, triggered the emigration of approximately one out of every five Salvadorans and displaced hundreds of thousands within the country. In addition, the country sustained damage to its economic and social infrastructure estimated at more than $1.6 billion. In this context, the peace agreements set forth specific commitments whose purpose was (a) to establish the specific requirements for ending the armed conflict; (b) to tackle some of the root causes of the conflict by starting from democratic principles; and (c) to place special emphasis on the process of reconstruction as part of the economic and social development of the country.

2. Foremost among these commitments were (a) the demilitarization of the country, to be accomplished by transforming and downscaling the armed forces and by demobilizing FMLN and integrating it into society; (b) replacement of the old military police with a new National Civil Police, recruited from the new National Public Security Academy; (c) reform of the judicial system by establishing the National Council of the Judiciary and its Judicial Training School; (d) the establishment of the National Counsel for the Defence of Human Rights; (e) reform of the electoral system; and (f) economic and social agreements and reforms including, inter alia, the establishment of a Forum for Economic and Social Consultation and the implementation of a National Reconstruction Plan. Specifically, the objective of this Plan is to support the process of peace and national reconciliation by creating the conditions necessary for the social and economic integration of those hardest hit by the conflict.

3. In line with these commitments, El Salvador is taking up the challenge of turning itself into a country founded on legal safeguards and the rule of law, respect for the rights of the individual, and the potential for opening up major opportunities for the economic well-being of its inhabitants. These long-term goals must in the short term square with the need to stimulate the sustained expansion of its economy, which should go hand in hand with policies designed to eradicate poverty against a background of broad democratic participation.

4. More than three years have elapsed since the signing of the agreements. During this period, short-term, immediate-impact activities linked to the complex process of demobilization and the strengthening or establishment of democratic institutions were carried out. In addition, what stands out is the implementation of various initiatives regarding the changes that had to be made in the political and social system of El Salvador in order to create conditions conducive to realizing the aspirations of Salvadoran society with regard to the consolidation of the peace process. This means the establishment, consolidation and operation of new democratic institutions; the implementation of programmes and projects relating to productive reintegration and reconstruction anchored in national long-term development strategies; and the need to fully address the requirements of the people hit hardest by the conflict as part of a scheme to eradicate structural poverty.

5. In terms of what is happening on the ground in El Salvador, this broad agenda for consolidating peace must be fleshed out in a very complex economic environment; this environment should combine reconstruction and development with reconciliation and democratic participation. In other words, the prospects for lasting peace in El Salvador will call for sustained expansion of its economy based on a new model, expansion which is stimulated by a modern State apparatus guaranteeing fairness of distribution and presupposing all of the transformations wrought through the new democratic institutions.

6. Since the signing of the peace agreements, the determination of the signatories to look for and define mechanisms of understanding in order to comply with the established mandates should be acknowledged and highlighted. The United Nations Observer Mission in El Salvador (ONUSAL) played a crucial role in verifying that the parties had fulfilled their commitments. That Mission wound up its activities on 30 April 1995.

7. On 6 February 1995, prior to the expiry of the ONUSAL mandate, in response to a request from the Government and from FMLN, and considering the determination of both parties to comply with their outstanding commitments under the peace agreements, the Secretary-General of the United Nations set up the United Nations Mission in El Salvador (MINUSAL). Since 1 May 1995, this team has been carrying out functions similar to those of ONUSAL such as verifying the parties' compliance with the agreements, extending good offices and providing updates on the various processes stemming from the programmes contained in the agreements.

8. Monthly progress reports prepared by MINUSAL on the implementation of the peace agreements confirm the parties' determination to comply with their obligations. These reports have also shown, however, that despite the political will that exists, there are still obstacles to compliance with some of the commitments established by the peace agreements. For this reason the parties agreed on the need to extend the Mission's presence so as to fulfil United Nations obligations under the peace agreements. It was therefore agreed to extend the Mission for six months, with effect from 31 October 1995.

II. ECONOMIC SITUATION IN 1994-1995 AND OUTLOOK FOR 1996-1999

A. Economic situation in 1994

9. The tendency reflected by the macroeconomic variables during 1994 in comparison with previous years is confirmed not only by the recovery and stabilization of the economy, but also by the existence of conditions favourable to a sustained rate of growth. Moreover, this reflects the discipline maintained by the Government, from the beginning (1989), in its implementation of adjustment and stabilization policies. However, while this tendency demonstrates a situation of financial equilibrium in the external sector and in prices as a direct result of the implementation of the adjustment programme, the management of economic policy tools which favour the primary and secondary sectors of the economy is a task which remains to be accomplished.

10. With regard to the behaviour of overall production activity, the gross domestic product (GDP) grew by 6 per cent, representing a lower rate of growth than in preceding years, in which rates of over 7 per cent were achieved.

11. Last year, the trade deficit reached a level of US$ 1,325 million, higher than the levels recorded in the previous two years. The vigour displayed by imports was linked primarily to the economic recovery process, owing to the increase in the demand for imported goods. The balance on capital account, while lower than in 1993 (US$ 234 million), stood at a favourable level (US$ 224 million). Net international reserves as of December 1994 (US$ 788 million) increased by 22 per cent in comparison with the previous year.

12. Inflation fell to 8.9 per cent in 1994, continuing its downward trend in comparison with 1993 (12.1 per cent) and 1992 (19.9 per cent). On the other hand, the exchange rate maintained a uniform average level and experienced little relative fluctuation from one year to the next. Interest rates remained at high levels compared to the rate of inflation and the minimal fluctuation in the exchange rate. It should be noted that two situations have had a negative impact on growth targets in the context of international competitiveness: the foreign exchange rate, which affects it, and the current rate of interest on loans (18-20 per cent), which is a strong disincentive to investment.

13. In the area of public finance, of particular significance is the reduction in the non-financial public-sector deficit as a proportion of GDP, which decreased from 1.6 per cent in 1993 to 0.6 per cent in 1994, thus attaining the target set by the Government. It must be noted that the growth in tax receipts was offset by a proportional decrease in grants. On the other hand, the increase in recurrent expenses (mainly wages) and the lack of implementation in capital outlay have contributed to the increase in total expenditure.

14. The discipline required by the adjustment and stabilization process entailed a social cost. This cost is seen in the restrictions imposed on the development of anti-poverty programmes, particularly in rural areas and in those directly affected by the conflict. Finally, the level of family remittances during the past year totalled US$ 962.5 million, which, at current prices, was equivalent to 12 per cent of GDP and was 18 per cent larger than exports of goods and services (excluding in-bond assembly plants), which helped to prevent a further deterioration in the standard of living of a large percentage of the population.

B. Economic outlook for 1995-1996

15. The Government's main targets for 1995 can be summarized as follows: GDP growth in the range of 6 to 7 per cent; trade deficit at US$ 1.25 billion, with exports (including in-bond assembly) estimated to increase by 35 per cent; and a 20 per cent increase in net international reserves, to US$ 960 million. Resources derived from family remittances would continue to grow, to approximately US$ 1 billion. Annual inflation for the current year has been estimated at between 6 and 8 per cent.

16. Statistics available as of June 1995 allow the estimate of a series of macroeconomic indicators for the end of the period. GDP growth targets are likely to be met; the trade deficit will exceed that expected, and net international reserves and family remittances will be in line with estimates. Estimates also indicate that annual inflation will exceed 10 per cent, due to the impact of the rise from 10 to 13 per cent of the value added tax (VAT), as well as to the expectations generated by the long process of approval of this tax, which had at one point been proposed to be set at 15 per cent.

17. The main macroeconomic targets set by the Government to date for 1996 are to maintain the rate of economic growth at above 5 per cent and inflation below 8 per cent; to achieve a non-financial public-sector deficit of not more than 0.5 per cent of GDP; to increase domestic saving and capital deepening investment, especially foreign investment; to consolidate the public finance reforms; to improve the efficiency and competitiveness of the financial system; and to encourage increased exports in order to avoid widening the trade deficit. An inflow of foreign exchange from family remittances similar to that of 1995 is expected. The trade deficit will continue to be financed by family remittances, grants, loans and private capital contributions. Preliminary estimates project a positive balance of payments due to an expected continuation in the accumulation of net international reserves.

18. It can be concluded from the foregoing that, based on the policy instruments used along with the projections for 1995 and predictions for 1996, the Government will continue the programme of adjustment and stabilization, most likely in a phase requiring the creation of conditions favouring the promotion of a production structure capable of participating competitively at the international level.

C. Economic and social development plan for 1995-1999

19. The principal goal pursued by the Government with regard to the economy and society for the period from 1995 to 1999 is that of promoting the creation of an internationally competitive economic structure that assures a sustained rate of growth; supported by solid policies of employment and income generation that would permit a progressive improvement in the well-being of the population. It would necessitate the introduction of major reforms at the macroeconomic and sectoral levels, aimed at overcoming the various obstacles that affect the overall efficiency and competitiveness of the Salvadoran economy as a whole. The Government is devoting special effort to transforming the structure of the State, particularly that of the executive branch, by means of modernization policies. These will include privatizing production and public-sector services, promoting decentralization and streamlining management.

20. In order to bring the economy up to an internationally competitive level, the Government will attempt to maintain an annual economic growth rate greater than 5 per cent. In a highly technologically dependent production structure such as that of El Salvador, this will require the generation of foreign exchange from exports in excess of the level demanded by imports for the medium term.

21. In the macroeconomic sphere, the principal reforms anticipated are concentrated in the areas of trade policy, exchange policy and fiscal policy. With regard to trade policy, tariffs have been undergoing a drastic reduction since 1 April 1995, under the argument that the previous tariff structure presented obstacles to the restructuring of some enterprises, principally in the industrial sector. In the area of exchange policy, the Government has proposed, without obtaining consensus, the gradual dollarization of the economy so as to eliminate the exchange risk, which will contribute in turn to gradually reducing interest rates and their effect on finance costs for enterprises. With regard to fiscal policy, the three-point increase in the value added tax has served as a useful compensation for the loss in income owing to the recent reduction in tariffs, and also as a means for increasing revenue to finance programmes related to carrying out the peace agreements. Moreover, some changes were made in the legislation on tax fraud, and other initiatives to increase revenues are being studied or debated.

22. With regard to social policy, the Government has favoured two areas: (a) human development and (b) human well-being and advancement. In connection with the first, efforts are being made to improve the standards and quality of peoples' lives and to create conditions of equity and social mobility. For this purpose, short- and medium-term improvements are being sought in health, nutrition, education, housing, and social welfare services. Well-being and human advancement policies are designed to favour the most vulnerable groups, through the creation of permanent employment in programmes directed at small and micro-enterprises.

III. OBSTACLES TO AND PROSPECTS FOR THE RECONSTRUCTION PROCESS AND DEMOCRATIZATION

23. The undertakings arising from the peace agreements are intended to lay the foundations for a new form of social coexistence in which individuals have equal opportunities for access to benefits and the rule of law and spirit of democracy prevail. To this end, the various organs of the Government should translate those commitments into a permanent agenda in which development policies and strategies reflect the spirit of the agreements.

24. In view of the above, the challenge is to ensure that the goals of the adjustment/stabilization programme, on the one hand, and the implementation of a national reconstruction plan and the consolidation of the rule of law, on the other, complement each other instead of being mutually exclusive. This means that the policies of the adjustment programme should be harmonized with those that concern the changes required for the consolidation of the peace process. This situation underscores the need for changes in the development model, a view which has been expressed by various sectors of the Salvadoran society.

25. The changes being promoted are part of a package of measures which, while not necessarily reflecting the fragility of the current model, seek through the stabilization programme to restrict the growth of the fiscal deficit and to finance it from domestic resources. In both cases, technical and financial assistance for reintegration programmes and democratization clearly require additional resources, most of which must be obtained from external sources. It

also means that such programmes and those concerned with poverty alleviation and the modernization of the State should have political and financial support from the Government.

26. The implementation of the programmes concerned with the reintegration into productive activity of former combatants, demobilized military personnel and landholders, which are being undertaken in fulfilment of the peace agreements, does not per se guarantee the sustainability of their production activities if, in carrying out a specific undertaking, emphasis is placed on the emergency (short-term) aspect of the activity. Significant changes are therefore required in the strategies for providing benefits to those groups if the process is to be sustainable in the medium and long term. The country's social and political stability depends to a large extent on the policies by which it hopes to provide jobs and regular income to the population affected by the conflict.

27. Emphasis should also be placed on promoting any activity which could help to ensure the uninterrupted functioning of democratic institutions, in the spirit in which they were created or consolidated as provided for in the peace agreements. In this connection, it is important to provide political support and technical and financial assistance to: (a) the new institutions of the public security system (National Civil Police and National Public Security Academy); (b) The National Counsel for the Defence of Human Rights; (c) the institutions which comprise the judicial system; and (d) the various organs of the electoral system.

28. It should be mentioned that the follow-up and evaluation activities undertaken for various projects, particularly those concerned with rural reintegration, detected signs of uncertainty and apprehensiveness among certain sectors of the beneficiary population, owing to the difficulty of providing for the definitive settlement of such persons and their families and to an environment which was not conducive to the launching of sustainable production activities. In the light of this situation, priority should be given to: (a) the adoption of measures to complete the process of land transfer by incorporating technical assistance programmes and providing direct credits and subsidies; (b) expediting the process of legalization of land titles in rural human settlements and supporting such communities through specific socio-economic development projects; and (c) the provision of more extensive training, credit and follow-up to the beneficiaries of reintegration programmes through small businesses.

29. Despite the significant achievements and progress made in consolidating and creating new democratic institutions, it is still necessary to support the requisite actions and institute reforms in the areas of legal safeguards, careers in the police force and the electoral system.

30. As regards the improvement of the administration of justice, there is a need to continue to screen personnel in the judiciary and, in general, to develop a strategy for modernizing the judicial system and effectively consolidating the rule of law.

31. As regards the public security forces, emphasis should be placed on strengthening and consolidating the institution of the National Civil Police

(PNC) within a legal and administrative framework which, by clearly defining its mandate, would ensure that the PNC could effectively fulfil its objectives of guaranteeing the security of citizens in a context of respect for human rights. In this connection, support is urgently required for actions in the following key areas: (a) functioning of the internal oversight organs; (b) consolidation of the leadership and planning structure; and (c) strengthening of the criminal investigation branch and improving the latter's coordination with the Attorney-General's Office, which should effectively exercise functional leadership of the Department of Criminal Investigation. This aspect is of particular importance for overcoming the constraints on the development of the system of protection in El Salvador, which have so far thwarted efforts to resolve the issue of impunity. In these circumstances, when human rights violations take place, it is very difficult to identify and detain the guilty parties and to enforce the corresponding penalties. Other problems are also created, such as violence and public insecurity.

32. The process of reconstruction, democratization and development can also be affected by a change in the situation regarding the stay of Salvadoran citizens resident in the United States whose current status of "temporary residents" is due to expire early in 1996. The eventual large-scale return migration will have an economic and social impact on the country: (a) economic, because of the impact of "family remittances" on the macroeconomic variables of the external sector, the loss of income for a significant number of families which depend on remittances and the new trend towards greater competition for jobs, and (b) social, because of the breakdown in the social fabric in certain areas, which could affect some of the successes achieved in the pacification process.

33. National reconstruction and democratization have advanced considerably since the signing of the peace agreements. Technical and financial cooperation is still needed from the international community, however, failing which there is little likelihood of consolidation of economic growth, reconstruction, improved living conditions for the poorest sectors of the population, peace, democracy and the functioning of democratic institutions. It is also desirable that the executive branch of government and donors speed up the process of disbursing the funds pledged and approving specific projects that will make up for the delays in initiating, continuing or supplementing the various programmes related to the peace process. In this connection, it is recommended that donors should improve the coordination of their activities to ensure greater coherence of international assistance.

34. The international community has responded generously to the financing of major infrastructure, social services and other social projects but less so at times to the appeals for the funding of some programmes directly related to the agreements that are crucial for the consolidation of peace. Among the principal programmes which still require financial support are those concerning the establishment, strengthening and functioning of democratic institutions and those relating to training, credit and incremental housing, in order to guarantee the reintegration of former combatants, demobilized military personnel and the poorer sectors of the population who have been affected by the conflict into the productive process and into society.

IV. ADVANCES IN RECONSTRUCTION AND THE STRENGTHENING OF DEMOCRATIC INSTITUTIONS

A. Financial requirements and response from the international community

35. Since the signing of the peace agreements, the Consultative Group has held three meetings on El Salvador under the auspices of the International Bank for Reconstruction and Development (IBRD), in 1992, 1993 and 1995. The meeting held recently in Paris on 22 June 1995 was co-sponsored by the Inter-American Development Bank (IDB).

36. At the three meetings the Government submitted its priority funding requirements for three substantive areas to the international community: (a) the national reconstruction plan; (b) the supplementary programmes for implementation of the peace agreements, which include democratic institutions; and (c) the economic and social development plan. The recent meeting of the Consultative Group dealt with important topics relating to the consolidation of peace, with the emphasis on: implementation of the land transfer programme, including its sustainability and supplementary programmes; strengthening of democratic institutions; strengthening of the institutions of civil society (non-governmental organizations); and elimination of rural poverty.

37. For the period 1992-1996, funding priorities for the consolidation of peace and national reconstruction were estimated, in 1992, at US$ 1,566,000,000 of which the government contribution was established at 26 per cent. On the basis of recent data, the government contribution increased to 67 per cent, amounting to US$ 1,047,000,000, funded by loans from third parties and internal resources. Government sources indicate that in response to funding priorities for the past three years (established in April 1993), funding pledges have been obtained from the international community in an amount of US$ 994.3 million, of which donations amount to US$ 537.4 million and loans to US$ 456.9 million. Resources for the reconstruction of infrastructure represent the bulk of the latter.

38. At the last meeting of the Consultative Group for El Salvador, in June 1995, the international community ratified or announced new pledges for the period 1995-1997 in an amount of US$ 108.5 million for projects relating to the peace agreements. Additional consultations with donors will be required with regard to these pledges in order to determine the amount of new resources. Of these pledges donations amount to US$ 58.5 million and loans to US$ 50 million. This latter amount includes US$ 10 million in new resources from IDB. A number of donors have indicated that they will continue to channel their cooperation through the United Nations operational system, in particular through the United Nations Development Programme (UNDP).

39. According to information from the Government and from the co-sponsors of the recent meeting of the Consultative Group, the international community pledged cooperation resources of more than US$ 1.3 billion. These resources would largely be allocated to the financing of national reconstruction projects, poverty alleviation and medium-term development programmes.

40. In addition to the financial cooperation requirements sought by the Government at the last meeting of the Consultative Group, the Salvadoran delegation submitted a document on priority technical cooperation requirements for projects in the context of the consolidation of peace. These projects were identified with the participation of the institutions designated as recipients of the future cooperation, or with those agencies responsible for the design and formulation of projects connected with the peace process. In addition, during the formulation of each of the initiatives, consultations were held with the technical staff of similar projects currently being implemented and with representatives of donors interested in each of the technical cooperation areas in which funding is required. The work began in November 1994 with the ongoing cooperation of UNDP, other agencies of the United Nations system and ONUSAL.

41. The external resources sought from the donors for 10 priority technical assistance projects amount to US$ 9.8 million. Up to September 1995 the donor community had pledged US$ 4,230,000 (through various funding mechanisms), permitting the implementation of four public security and administration of justice projects and the initiation of activities in two other projects relating to the second of these areas. UNDP, at the request of the Government, is continuing to promote the mobilization of resources to cover supplementary funding requirements for administration of justice and initiatives to strengthen the fund for assistance to war-disabled, the gradual provision of housing for ex-combatants and demobilized personnel, and strengthening of the Office of the National Counsel for the Defence of Human Rights. The second half of 1995 will see, with the cooperation of UNDP and other United Nations agencies, the conclusion of the formulation of eight additional technical cooperation projects in the areas of public security, reintegration of former combatants and demobilized personnel, and protection and defence of human rights.

42. It should be pointed out that the main problem faced in securing funding for the consolidation of peace is the decline in resources, essentially in donations, since 1994. According to a report prepared by UNDP on technical and financial cooperation for El Salvador for 1992-1996, there is a distinct downward trend in cooperation for El Salvador, even though there have been new donors since 1992. A case in point is that of the United States Agency for International Development (USAID), which has established new priorities in its programme of external assistance. It should be emphasized that a high percentage of the funding made available during 1992-1993 pursuant to the commitments made under the peace agreements represented funding previously budgeted under regular programmes in similar areas.

43. The decline in financial resources in support of the consolidation of peace, in the context of paragraph 25 above, explains in part the difficulties that have arisen in the implementation of various programmes and projects that are central to the process. This has to some extent influenced the rescheduling of the commitments established in the peace agreements and has even resulted in greater demands by some segments of the recipients.

B. Progress and implementation of projects

44. Pursuant to the peace agreements, sectoral and thematic priorities have been identified and various problems and projects formulated with the aim of: (a) achieving the economic and social reintegration of former FMLN combatants and demobilized members of the armed forces and solving the land problem of those known as "landholders"; (b) addressing the economic and social needs of the communities most affected by the conflict and improving the living conditions of the poorest groups; and (c) consolidating and strengthening democratic institutions.

45. In the annex to this report, a description is given of the progress achieved in 1994-1995 in implementing the main programmes and projects relating to the national reconstruction and democratic development process. Implementation of some of the ongoing initiatives formulated and approved in compliance with the commitments assumed under the peace agreements has reflected the various reschedulings carried out in some cases.

46. The development of some programmes and projects has been affected by budgetary constraints, delays in disbursements of internal and external funds pledged, deferment of other initiatives on which the implementation of a number of projects hinged, and the unique nature of a process for which there was no precedent that might have helped to expedite decision-making.

47. Non-governmental organizations and other civilian institutions were involved alongside government bodies and institutions in the implementation of projects relating to reintegration, reconstruction and assistance for groups affected by the conflict. A significant number of non-governmental organizations have continued to cater to the needs of affected groups in specific parts of the country through contributions which various donors channel directly through them. No detailed information is available on these projects, which might add to the usefulness of this type of report.

48. Since 1992, the country has received fresh funding and pledges of cooperation through various mechanisms. The international community has responded to various appeals for assistance through loans and donations provided as part of bilateral cooperation (Australia, Austria, Canada, Denmark, France, Germany, Israel, Italy, Japan, Mexico, Netherlands, Norway, Spain, Sweden, Switzerland, Taiwan province of China, United Kingdom of Great Britain and Northern Ireland and United States of America) and of multilateral cooperation (United Nations bodies and organizations, Central American Bank for Economic Integration, Inter-American Development Bank, International Bank for Reconstruction and Development and European Union).

ANNEX

Progress report on the principal programmes and projects relating to the process of national reconstruction

CONTENTS

		Paragraphs	Page
I.	ECONOMIC AND SOCIAL REINTEGRATION OF FORMER COMBATANTS OF FMLN AND OF DEMOBILIZED MEMBERS OF THE ARMED FORCES OF EL SALVADOR AND ASSISTANCE TO LANDHOLDERS	2 - 30	14
	A. Rural reintegration	6 - 17	15
	B. Urban reintegration	18 - 23	17
	C. Care for the war-disabled	24 - 30	18
II.	ASSISTANCE TO COMMUNITIES AFFECTED BY THE CONFLICT	31 - 49	19
	A. Secretariat for National Reconstruction	33 - 36	20
	B. Social Investment Fund	37 - 39	21
	C. Other initiatives	40 - 47	21
	D. Major infrastructure	48 - 49	23
III.	STRENGTHENING OF DEMOCRATIC INSTITUTIONS	50 - 79	23
	A. Judicial system	51 - 62	23
	B. The electoral process	63 - 69	25
	C. Public security	70 - 74	26
	D. Office of the National Counsel for the Defence of Human Rights	75 - 79	27

1. Below is a progress report on some of the programmes and projects that have been implemented in fulfilment of the commitments deriving from the peace agreements. This section also contains proposals for action to consolidate the various initiatives under way. The programmes and projects have been grouped into three categories: (a) achieving the economic and social reintegration of former combatants of the Frente Farabundo Martí para la Liberación Nacional (FMLN) and demobilized members of the armed forces and solving the land tenure problems of those knows as "landholders"; (b) addressing the economic and social needs of the communities most affected by the conflict and improving the living conditions of the poorest groups; and (c) consolidating and strengthening democratic institutions.

I. ECONOMIC AND SOCIAL REINTEGRATION OF FORMER COMBATANTS OF FMLN AND OF DEMOBILIZED MEMBERS OF THE ARMED FORCES OF EL SALVADOR AND ASSISTANCE TO LANDHOLDERS

2. The immediate aim of the reintegration projects is to generate employment and income as a precondition for reintegrating former combatants and demobilized military personnel into economic and social life, thereby helping to recover the national productive capacity and repair the social fabric. To that end, urban and rural programmes have been formulated and implemented to facilitate access to land (in rural areas) and improve conditions for human settlements; to disseminate knowledge and develop productive skills in the beneficiaries; to provide technical assistance; and to offer access to credit.

3. The Government's programme for supporting the reintegration of former combatants of FMLN and demobilized members of the armed forces, which was developed during the third quarter of 1992, provided for assistance to 10,944 former combatants and 30,000 demobilized military personnel under a number of different projects, as well as agricultural land grants to 25,000 landholders. Originally, the rural reintegration scheme was to include 7,713 former FMLN combatants and 15,000 demobilized military personnel, while the urban scheme was to cover 3,231 former FMLN combatants and 15,000 demobilized military personnel. However, at a later stage, the number of demobilized military personnel eligible to participate in rural and urban reintegration programmes was considerably reduced.

4. In 1994 and part of 1995, the principal reintegration schemes in urban areas focused on specific projects, most of which were completed by July 1995. However, the implementation of rural reintegration initiatives has been seriously delayed, for reasons attributable to the dynamics of an inherently complex process involving, inter alia, land transfers, technical assistance and credit for investment. These initiatives will require further attention in the future in relation to both technical assistance and refinancing. The beneficiaries' degree of indebtedness and real ability to pay must be borne in mind, since these factors will limit their opportunities for future access to traditional sources of credit.

5. Reintegration programmes for former members of the National Police, similar to those implemented for demobilized members of the armed forces, were designed as part of the process of demobilizing this security force. In view of the

background and aspirations of the participants, most of the projects emphasized reintegration in urban areas. The Government implemented a two-phase counselling programme between October 1993 and May 1995, offering the second phase in response to pressures and demands from former police officers who had not yet received such counselling. Under this initiative, 4,394 former police officers received job counselling and further individual profiles were added to the records. At the end of this process, 2,915 beneficiaries opted for reintegration through the so-called industry and services (micro-enterprise) programme; 401, for agricultural reintegration programmes; and 871, for a scholarship programme to complete their studies.

A. Rural reintegration

6. The economic and social reintegration of former combatants in rural areas remains one of the most complex items on the agenda of the peace agreements because of the strategic and operational criteria that govern the various programmes and projects from the design stage onwards. With respect to strategic considerations, the sustainability of any programme of this type hinges on the response to larger challenges, such as alleviation of poverty, expansion of employment and social integration. With respect to operational requirements, programmes conceived from this perspective must necessarily encompass the issues of land use and tenure, access to credit, suitable technical assistance and the development of productive and social infrastructure.

7. The land transfer programme is one of the central features of the peace agreements and the cornerstone of rural reintegration efforts. Owing to difficulties in defining the programme's scope and nature, in late 1992 the Secretary-General sent a team of experts to help formulate a proposal for land transfer that would be acceptable to the parties. Originally, the parties agreed that the number of potential beneficiaries would be set at 47,500 of whom 15,000 would be demobilized members of the armed forces, 7,500 would be former combatants of FMLN and 25,000 would be landholders. Subsequent negotiations reduced this beneficiary population to 38,096 people, of whom 8,830 were demobilized members of the armed forces and 29,266 were either former combatants of FMLN or landholders.

8. The land transfer programme was plagued with delays; it was rescheduled several times, and a number of changes were made in its procedures. The delays were attributable to a variety of factors, including legal ones, such as land registration, and administrative ones, such as personnel turnover in the institutions linked to the programme and delays in payments to former landowners.

9. By mid-September 1995, 71.7 per cent of the total transfer process, involving 27,232 beneficiaries, had been completed. This means that land had been transferred to 6,360 (72 per cent) of the demobilized members of the armed forces and 20,872 (71 per cent) of the former combatants of FMLN and landholders.

10. Of all the beneficiaries holding titles to their land, only 25 per cent completed the registration process in the land registry office. In the short term, it will be necessary to complement national efforts to speed up the registration of title deeds.

11. Various technical assistance programmes have been developed to support former combatants who opted for reintegration in rural areas. The first reintegration programme, coordinated by the United Nations Development Programme (UNDP) and launched immediately after the demobilizations of 1992, was designed to provide six months of agricultural training to nearly 6,300 former combatants of FMLN. A second programme, also coordinated by UNDP, provided technical assistance to former combatants of FMLN and demobilized members of the armed forces through non-governmental organizations and the National Centre for Agricultural and Forest Technology (CENTA). According to government reports, another programme, which was implemented by CENTA until the end of May 1995, provided technical assistance to over 10,000 beneficiaries of the land transfer programme. The European Union, meanwhile, continued to focus on the Department of Usulután, assisting 1,500 former combatants of FMLN and 1,500 demobilized members of the armed forces.

12. With respect to rural credit, as of 31 August 1995 the Banco de Fomento Agropecuario had disbursed 5,991 loans to landholders, out of a total of 7,456 loan applications. It had also granted 4,273 loans to demobilized members of the armed forces, out of a total of 4,453 applications. As of the same date, all of the FMLN beneficiaries who had received land had been given access to an initial credit specifically agreed upon in the programmes deriving from the peace agreements; still pending is a second disbursement for those who meet their payment obligations for the first credit. In addition, 1,500 beneficiaries in the Department of Usulután will receive credits from the European Union.

13. Progress in the technical assistance and credit programmes has been determined by the land-transfer process, owing to difficulties in planning and carrying out the relevant activities in a timely fashion, in accordance with growing seasons. In its resolution 961 (1994), the United Nations Security Council urged all States and the international institutions engaged in the fields of development and finance to contribute promptly and generously in support of the implementation of all aspects of the peace agreements.

14. In order to provide technical assistance to a broad medium-term programme for the reintegration of the beneficiaries of the land-transfer programme, UNDP, with the cooperation of the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Mission in El Salvador (MINUSAL), has developed a preparatory assistance project which has the following goals: (a) an evaluation of the economic potential of the land transfer programme on the basis of a situational diagnosis, including a quantitative assessment of the future impact of the obligations (debts) assumed by beneficiaries, and (b) the formulation of viable strategic proposals and bases for a medium-term rural development programme based on the following elements: technical assistance and training; direct credit and subsidies for productive activities; and global assistance for production and social infrastructure and services.

15. In order to ensure that new farmers and their families on transferred land are provided with a minimum standard of housing, housing programmes have been implemented. These programmes are part of a set of measures which, to date, have provided approximately 11,000 individuals, including former FMLN combatants and demobilized armed forces personnel, with access to either emergency or permanent housing. Under one such programme, which is based on grants, loans and mutual assistance, 1,935 houses will be provided to former FMLN combatants and 1,500 houses to demobilized armed forces personnel.

16. UNDP, with external funding, has launched a programme to provide core housing and latrine facilities for 1,344 participants in the land-transfer programme (former combatants and demobilized military personnel). Under a second project "incremental housing" has been provided: through a system of self-help housing and mutual assistance, permanent housing was built for 647 land transfer programme beneficiaries. There are plans for another project to provide 2,000 houses for programme beneficiaries if financing can be obtained from the international community.

17. A large portion of the beneficiary population covered under the peace agreements is to be found in rural human settlements, which at present consist of 10 communities in Chalatenango, Cabañas and Morazán. According to the programme's operational plan, launched on 15 August 1995, the legalization of land ownership in these settlements may be completed by April 1996. It should be noted that even though the agreements only provide for legalization of land ownership in these rural human settlements, the settlements are clearly vulnerable, and the need to provide them with adequate development assistance cannot be ignored.

B. Urban reintegration

18. The support received by those former combatants and demobilized personnel who opted for urban reintegration has been channelled largely through training programmes in the industrial and services sector, in the form of administrative/ entrepreneurial and technical vocational training, including access to credit for the establishment of small enterprises or businesses, and through a scholarship programme.

19. The training programmes in industry and services had an average length of six months, during which the beneficiaries received an allowance for living expenses. The maximum credit available was equivalent to US$ 2,300 for a five-year period, including a one-year grace period, at 14 per cent interest. Some 1,685 former FMLN combatants and 3,097 demobilized armed forces personnel began the training, with 1,328 former combatants and 2,885 demobilized soldiers completing it. In May 1995, 1,083 former FMLN combatants and 1,863 demobilized members of the armed forces had been granted credit for the establishment of micro-enterprises.

20. Delays in the preparation of training programmes and the extending of credit led to defections among the beneficiaries and, as a result, the projected target was not achieved. It has also become necessary to propose that the

programme should be strengthened through technical assistance and/or additional training, including the refinancing of loans.

21. The programme of support for the economic reintegration of leaders and middle-ranking members of FMLN, which was formulated on the basis of a clear strategy, has been implemented. The main components of this project, which had a target population of 600, were: raising the academic level; technical and managerial/administrative training; counselling for the identification, formulation and implementation of micro-enterprise projects; and credit. In order to meet their basic needs, each beneficiary was given a monthly allowance (living expenses) during the six-month training period.

22. The following results were achieved under the programme: 52 persons were trained in senior management programmes, 200 in vocational training programmes and 346 in managerial/administrative programmes, making a total of 598 trained beneficiaries. Once the training phase had been completed, technical assistance was developed for the identification and formulation of projects aimed at the establishment of micro-enterprises or small businesses. The process of extending credit began in May 1994; 481 persons benefited and, also received technical assistance to help them in the start-up phase of their activities. The project cost $5 million, of which $2 million was to be used for credit. It should be pointed out that the Government, through the Social Fund for Housing, has established a programme to extend credit to those programme beneficiaries who require it. To date, 19 beneficiaries have made use of the programme.

23. The scholarship programme, aimed at former FMLN combatants and demobilized members of the armed forces and the National Police, was designed to meet needs for secondary education (diversified baccalaureate studies), technological training and university education. To date, 699 former FMLN combatants, 441 demobilized members of the armed forces and 532 demobilized members of the National Police have benefited from the programme. The scholarship pays beneficiaries' living expenses, transport and equipment costs and tuition for a period of two to five years, depending on the educational level required and the level previously reached.

C. Care for the war-disabled

24. Since the Fund for the Protection of the Wounded and War-Disabled as a Consequence of the Armed Conflict was established in 1992 by Legislative Decree No. 416, its activities have focused on administrative and operational organization and legislative reform, the identification, vetting and registration of beneficiaries, and actuarial studies, to mention the most important.

25. The revised National Census of the Wounded and War-Disabled determined that the war-wounded numbered 11,337 persons, including members of FMLN, the armed forces and the civilian population. On the basis of this information, the technical evaluation commissions of the Fund for the Protection of the Wounded and War-Disabled as a Consequence of the Armed Conflict have been able to establish the degree of disability.

26. Projects carried out under the supervision of the Secretariat for National Reconstruction benefited a total of 2,398 wounded members of FMLN in programmes which provided medical care and surgery, physical rehabilitation, prostheses, orthotics and drugs. They included 32 blind persons, who also received rehabilitation. As far as the rehabilitation of FMLN beneficiaries is concerned, 633 were trained in the industrial and services sector; 824 in agriculture, 2,022 persons having been given land; 24 are covered by the programme of support for the economic integration of leaders and middle-ranking members of FMLN; and 40 by the scholarship programme.

27. The demobilized wounded members of the armed forces have been provided by the armed forces with medical coverage, physical and occupational rehabilitation, and pensions and compensation. In addition, 344 of them have participated in technical and vocational training programmes. Some 90 prostheses have been made and 22 have been repaired.

28. To date, the Fund for the Protection of the Wounded and War-Disabled has evaluated 10,602 beneficiaries, of whom 8,840 are receiving pensions and the relevant compensation. Approximately 93.5 per cent of the target has been met.

29. In addition, the wounded and disabled have been cared for by a series of national and international institutions and/or organizations, which have developed different programmes and/or projects that have met the most immediate needs of an emergency phase. As far as international cooperation is concerned, mention should be made of projects financed with contributions from the European Union, the Danish Association for International Cooperation, the German cooperation agency GTZ, the United States of America, UNDP, including its Development Programme for Displaced Persons, Refugees and Returnees (PRODERE), the Pan American Health Organization (PAHO) and the United Nations Children's Fund (UNICEF).

30. A recent study carried out by the Fund for the Protection of the Wounded and War-Disabled, with the technical cooperation of UNDP and advice from MINUSAL, indicates that the volume of financing required to care for the wounded and disabled is such that it would require the Fund to formulate and develop instruments and the technical capability to devise and implement viable policies for the mobilization of resources, the administrative and financial management of those resources, and comprehensive rehabilitation projects.

II. ASSISTANCE TO COMMUNITIES AFFECTED BY THE CONFLICT

31. The National Reconstruction Plan, which initially covered the 115 of the country's 262 municipalities that were identified as being most severely affected by the conflict, includes a social and production development programme designed to help meet the economic and social needs of poor communities. A number of subprogrammes have been implemented under this programme, at a total cost of approximately $30 million. These subprogrammes included projects dealing with immediate or emergency assistance, training, credit and technical assistance, education and social development, environmental protection, land and assistance to disabled civilians.

32. Communities affected by the conflict have also benefited from projects carried out under other government and non-governmental initiatives in the areas of agricultural development, social infrastructure, training and technical assistance, credit, establishment of micro-enterprises, social development and environmental management.

A. Secretariat for National Reconstruction

33. The Secretariat for National Reconstruction set up by the Government to coordinate the implementation of the National Reconstruction Plan initially focused its efforts on the 1992 demobilization process. In 1993 it embarked on the medium-term phase involving the incorporation of projects having a greater impact on the productive and social reintegration of former combatants and demobilized persons, in the context of national development. In addition to its responsibility for economic and social reintegration projects and the land transfer programme described above, the Secretariat also attends to the needs of other population groups affected by the conflict. It coordinates its work with the town councils (local governments), which consult with their communities in open discussions to identify the most urgent priorities. It promotes production, infrastructure and capital investment projects in the areas of education, health, environmental protection, economic and social infrastructure and municipal development.

34. In support of reconstruction projects, the World Food Programme (WFP), through a "food-for-work" programme, provided assistance to training activities under the National Reconstruction Plan aimed at rehabilitating and reintegrating 14,000 demobilized, repatriated and displaced persons in 108 municipalities. Support was also provided as part of the settlement process to 14,500 families affected by the war in the form of assistance to farmers and the rebuilding of basic infrastructure. To attain these objectives, 4,900 tons of foodstuffs were distributed. Total project cost was $7.2 million. To consolidate project results, WFP has approved an extension of the project until April 1996 and additional resources in the amount of $2.2 million.

35. The records show that from January 1992 to July 1995, over 2,500 infrastructure projects were implemented at a total cost of $68 million for the direct benefit of the inhabitants of the communities in which construction took place. This activity generated over 16,000 jobs during the period. The types of projects carried out under the programme included 1,250 access roads, 480 schools, 85 health projects, 111 water-supply and sewerage systems, 210 municipal buildings, 280 electrification projects, 55 community housing units and 35 municipal development projects.

36. For 1995, a total of $40.3 million has been budgeted to finance a variety of projects. Of this amount, $24.1 million has been allocated to projects for former combatants, with special emphasis on the land transfer programme, while $6.4 million is to be invested in the basic infrastructure programme. The remaining funds are allocated to projects to support non-governmental organizations, major infrastructure, micro-enterprises and agriculture. These investments are expected to generate 11,000 new jobs during the year.

B. Social Investment Fund

37. Another institution with a direct bearing on the process of reconstruction and improving the living conditions of poor groups is the Social Investment Fund, which channels assistance to poor sectors of the population, including those uprooted by the conflict, thereby meeting the dual objective of combating poverty and strengthening the process of national reconstruction and reconciliation. During 1994 and the first half of 1995, the Fund approved 1,997 projects for a total of $45.7 million. The Inter-American Development Bank (IDB) cooperates with the Fund through its Social Investment Programme.

38. In assessing community needs and proposed solutions, the Fund gives primary consideration to the degree of poverty of the communities requesting support. Accordingly, it promotes and finances infrastructure and capital-investment projects in the areas of education and health, environmental sanitation, improvement of housing and basic community facilities, food programmes for vulnerable groups, training and technical assistance for production and vocational centres for the training of skilled labour.

39. In the coming years, the Fund's greatest challenge will be to promote local development by improving the provision of municipal services. To that end, it plans to finance the implementation of projects to support production (by improving markets and roads, for example), which will be carried out by the municipalities themselves; at the same time, it will seek to streamline the implementation of its investment plan and allocate larger amounts for individual projects.

C. Other initiatives

40. The Office of the United Nations High Commissioner for Refugees (UNHCR) has cooperated in two specific areas: (a) assistance to communities affected by the conflict and (b) development and implementation of the identity papers project. In the first area, quick-impact projects were carried out between January 1994 and April 1995, benefiting approximately 22,000 people in repatriated communities. Projects focused on drinking-water supply systems, basic health and nutrition services, infrastructure and production. Meanwhile, the identity papers project met its goal of providing new documentation for 45,000 people whose original identity records had been lost during the conflict. This was achieved by providing municipalities with technical and legal assistance as well as training. The project was carried out jointly with the Salvadoran Municipal Development Institute.

41. FAO activities in support of the Salvadoran peace process have focused on technical assistance projects for small-scale farmers in the departments of Cabañas, northern Usulután and Morazán. The aim of these projects is to improve current production systems and to develop alternative systems in areas with severe ecological deterioration. In addition, FAO participated with UNDP in a preparatory assistance project to support the productive and social reintegration of beneficiaries of the land transfer programme.

42. In the context of its work with communities affected by the conflict, UNICEF is implementing a programme of basic services in priority areas in 39 municipalities in the departments of Cabañas, San Vicente and Usulután. The programme includes activities in the areas of health, education, water and sanitation, nutrition, children in especially difficult circumstances, decentralization and strengthening of local governments. The programme has a beneficiary population of 500,000 people, of whom 275,000 are under the age of 15 and 104,000 are women of child-bearing age.

43. In the area of agricultural assistance to poor sectors of the population affected by the conflict, projects have been implemented or are being developed and/or implemented to provide support to poor families in the departments most affected by the conflict and where poverty and ecological deterioration are the most acute. One such project is the agricultural development project for small farmers in the Paracentral region financed by the International Fund for Agricultural Development (IFAD), UNDP and the Central American Bank for Economic Integration (CABEI). This project is intended to improve living conditions for 5,000 low-income families in rural areas in the departments of Cabañas and San Vicente, through capital development and training in agricultural production, agribusiness and marketing. From July 1994 to June 1995, a total of $2.3 million in technical assistance and credit was provided to 1,374 families; of that amount, $1 million was earmarked for investment projects. Thirty "model farms" have been set up and are being run by 30 leading families, who, in 1995 will train 2,100 farmers in environmental protection, women's equal participation, agricultural diversification and management capacity-building for the marketing of agricultural products. WFP is supporting this project through the modality of food-for-work, chiefly in the areas of soil conservation, environmental protection, cross diversification and upgrading housing and roads. The programme's contribution represents 2,700 tons of foodstuffs valued at approximately $1.3. million, benefiting 2,100 families.

44. Another far-reaching initiative is the development project for people affected by the conflict in the department of Chalatenango, which seeks to bring about integrated development in the communities concerned. Beneficiaries include some 11,000 small farmers and small businessmen. This IFAD-sponsored initiative is being financed by the Fund and other donors, including the European Union and the United Nations Development Fund for Women (UNIFEM), and is being implemented jointly by non-governmental organizations and other agencies which maintained a presence in the department during the conflict. The project began operation in mid-1994.

45. In 1994-1995, PRODERE, funded by Italy, managed by UNDP and launched in 1989, pursued its final-stage activities, with emphasis on transferring the main programmes and projects carried out in its start-up phase. These activities are now being carried out through local development agencies (in the departments of Chalatenango and Morazán), which is one of the Programme's principal achievements. In the future, both government and non-governmental institutions will have to assume responsibility for the support and management of the different projects being implemented in five of the country's departments (55 municipalities) which will benefit 165,000 persons.

46. In July 1995, the Resident Coordinator for the United Nations system and the Minister for Coordination of Economic and Social Development, acting on behalf of the Government of El Salvador, signed a memorandum of understanding concerning the sustainable human development programme planned for the northern part of the country. This programme will assist in formulating and implementing national policies to promote and channel investments towards these basic areas of development.

47. The Culture of Peace Programme was developed with technical assistance from the United Nations Educational, Scientific and Cultural Organization (UNESCO) to contribute to the process of reconciliation of Salvadoran society within the framework of a new mode of coexistence among civilians. The aim of this programme is to incorporate the culture of peace into the learning and education processes by going beyond the mere transmission of knowledge. To date, seven project documents have been drawn up jointly by the Government of El Salvador, non-governmental organizations and UNESCO. This has led to the establishment of the National Council for Coordination of the Culture of Peace Programme in El Salvador. This Culture of Peace Programme has been adopted as the fourth component of the United Nations Agenda for Peace.

D. Major infrastructure

48. Reconstruction and rehabilitation of major infrastructure is an essential component of the National Reconstruction Plan, which requires attention in view of the demands generated by economic growth and the need for an expanded infrastructure.

49. IDB is the international financial institution that has been most directly involved in the reconstruction and/or repair of major infrastructure damaged during the conflict and in efforts to expand it to support the development of production. From July 1994 to June 1995, $500 million was approved for the following: repair and upgrading of the road system (45 per cent); repair and expansion of the energy system (43 per cent); and a social investment programme. Expenditure for the same period totalled $62.6 million.

III. STRENGTHENING OF DEMOCRATIC INSTITUTIONS

50. The commitments contained in the peace agreements have led to the establishment and strengthening of democratic institutions in an attempt to lay the foundations of a new democratic and participatory socio-economic system.

A. Judicial system

51. The consolidation of peace and democracy was enhanced in July 1994 by the appointment of new judges to the Supreme Court of Justice. The Court's composition reflected a wide range of legal thinking, a situation which has contributed in turn to an increase in the number of proposals on mechanisms for modernizing the administration of justice and improving the process for evaluating and removing members of the judiciary.

52. To enable the institutions of the judicial system to function effectively, a Coordinating Committee for the Judicial System has been established which operates through the Executive Technical Unit. The work of this Unit is focused on the development of the second judicial reform programme which is being funded by the United States Agency for International Development (USAID).

53. Special mention should be made of the progress made by the Government in its efforts to coordinate effectively, through this Committee, the work of the judicial system and of the international cooperation provided to this system, which is a unique experience for El Salvador.

54. The National Council of the Judiciary, a body appointed to evaluate judicial officials, has submitted a report on its work for 1994 to the Supreme Court of Justice. The Court has undergone a process of purification as a result of which a number of judges and magistrates have been relieved of their duties.

55. The Judicial Training School has continued to expand its activities, particularly in the area of training courses for judicial officers on the new criminal, family and juvenile codes, including the application of the international treaties on these matters which are in force in El Salvador.

56. The Attorney-General's Office, which is responsible for directing criminal investigation, has been provided with training and technical assistance to improve its professional performance in the courts. The constitutional reforms, in the process of being ratified, will provide a clear definition of the Office's work and the cooperative role to be played by the National Civil Police in criminal investigation procedures.

57. With the promulgation of new codes and laws, the Office of the Chief State Counsel has increased its activities significantly through the use of public defenders, given that judges of first instance are required to provide a defender immediately to all detainees who do not have an attorney.

58. Despite all the Government's efforts to improve the administration of justice and the assistance provided by the United Nations Observer Mission in El Salvador (ONUSAL) and MINUSAL staff, some shortcomings remain, especially in the processing of criminal trials: a good number of prisoners are still being held without sentencing, a situation which has led the Supreme Court of Justice to establish a separate department to speed up the judicial proceedings for those detainees.

59. For all these activities, the Government requested the support of UNDP in designing four technical assistance projects, which were submitted for the consideration of the international community at the recent meeting of the Consultative Group convened by the World Bank and IDB on 23 June 1995. The projects were developed on the basis of initial proposals from ONUSAL, taking into consideration the Mission's accumulated experience and progress made in the second judicial reform project. The new projects are intended to enhance criminal investigation techniques in the Attorney-General's Office, the work of the National Council of the Judiciary and the Judicial Training School, the training of public defenders and justices of the peace in human rights, knowledge of the negotiation process, signing and ratification of international

treaties in the Legislative Assembly, and the opening of the penitentiary school.

60. To support the strengthening of democratic institutions in the spirit of the peace agreements, and in conjunction with the Government Plan for 1994-1999 and the National Reconstruction Plan, the Bank began in the second half of 1994 to develop a programme for the modernization of the judicial system costing $25 million ($5 million in cost-sharing from the Government of El Salvador) with the objective of making the judicial system more efficient. The IDB loan is intended for the strengthening of planning units in the institutions of the judicial system, development of an integrated information system, development of a criminal policy, studies on organization and administration, the creation of new laws, relating especially to alternative forms of conflict resolution and institutional and sectoral strengthening in the area of youth.

61. USAID has continued to sponsor the second judicial reform project, providing support for legal reforms and improvements in the systems for the administration of justice, judicial in-service training, institution-building with regard to knowledge and application of family and juvenile law, and the new Criminal Code and Code of Criminal Procedure.

62. Judicial reform in El Salvador must take place within a process of national reconciliation, overcoming of impunity and strengthening of peace and democracy. The challenges to be overcome in each of the institutions of the judicial system are innumerable, giving rise to new requirements for international cooperation, of which the following deserve special attention: enhancing the investigative skills of staff in the Attorney-General's Office and the judicial system in offences involving organized crime; training in international human rights instruments; strengthening of management capability in the Office of the Chief State Counsel and the Supreme Court of Justice; and knowledge and dissemination of the new constitutional reforms and legal standards for judges and magistrates, trial lawyers and faculties of law.

B. The electoral process

63. The 1994 general elections marked significant progress in the strengthening of peace and democracy in El Salvador, because for the first time they succeeded in involving political forces of every persuasion. This was subsequently expressed in the pluralistic composition of both the Legislative Assembly and the Supreme Court of Justice, whose judges were elected in the second round.

64. The United Nations, through ONUSAL and UNDP, provided this effort by Salvadorans with technical and financial support from third-party contributions. The central technical cooperation project associated with the electoral process cost $3.5 million, which was managed by UNDP. Project personnel compiled the register of voters, issued voter registration cards, acquired equipment for the Supreme Electoral Tribunal, supported the Board of Vigilance and mobilized voters.

65. In view of the problems that arose during the electoral process, essentially with voter registration, the major parties participating signed an agreement to promote electoral reforms once the new administration took office. In November 1994 the Presidential Commission for Electoral Reform was established, and its recommendations were transmitted to the President of the Republic in July 1995.

66. The recommendations concerned the preparation of a master plan for the modernization of the Supreme Electoral Tribunal, residential voting and proportional representation on municipal councils. The Ministers of Justice submitted a bill to the Legislative Assembly for the establishment of a National Registry of Natural Persons and the creation of a single identity document.

67. The Supreme Electoral Tribunal itself is designing mechanisms for conducting a national voter census in 1996, at an approximate cost of $286,000, with a view to solving voter registration problems, given that the electoral roll contained over a half million entries for voters who are presumed dead, disappeared or simply out of the country.

68. On three occasions the United Nations was invited by the Government to undertake technical missions in El Salvador, the latest of which took place in February 1995. Some of the recommendations concerned the Presidential Commission's accomplishments, such as the National Registry of Natural Persons, the single identity card for citizens, residential voting and the administrative reorganization of the Supreme Electoral Tribunal as well as the reforms to the Registry of Civil Status, Identity and Voters.

69. Any reform of the electoral system will require financial support from the international community. Various donors have expressed interest in helping with the preparation of the National Registry of Natural Persons, and others have stated their intention to support some of the reforms.

C. Public security

70. The National Public Security Academy and the National Civil Police should begin their institution-building phase. Having met the initial challenge of establishing the two institutions within the specified deadline and in order to ensure their viability and sustainability, in keeping with the new public security doctrine, cooperation should focus on the technical strengthening of both the Academy and the National Civil Police.

71. By August 1995, 7,817 basic-level agents, 149 executive and 61 senior-level officers had graduated from the Academy where a total of 32 specialized courses had been offered. A new specialized course of study consisting of five months of theoretical training and three months of practical training in the National Civil Police was introduced in July 1995.

72. The National Civil Police continued to be deployed throughout the country. Of a total of 8,043 police officers, 7,812 were deployed at the operational level. Efforts to strengthen the National Civil Police should concentrate on improving the operation of its internal regulatory bodies (office of the

Inspector General, control and disciplinary investigations units and the disciplinary tribunal); enhancing the operational capacity of the criminal investigation division; establishing and putting into operation a planning unit; and improving institutional management capacity.

73. One of the priorities of the programme for modernization of the Salvadoran State, established pursuant to the peace accords, concerns the demilitarization of the public security apparatus and the development and application of a new doctrine. Many groups in society have been expressing their concern over the approaches, methods and operating style of the National Civil Police. In recent months, a number of situations have arisen which could affect this process: principally, these involve the deployment of the army in rural areas to perform public security functions and the announcement of a possible extension of this deployment to some cities; reports of human rights violations by agents of the new police force; the delay in appointing supervisory personnel as well as the appointment of personnel with questionable credentials to certain posts and the absence of legal measures applicable to the operation of the public security apparatus as a whole. Within the complicated process of recruiting and deploying new personnel, the distortions in the functioning and operation of the security apparatus need to be corrected. This can be done provided that a national public security policy is formulated and implemented, the appropriate legal framework is fully developed and steps are taken to ensure the functioning and strengthening of public security institutions and bodies. During the basic and refresher training given to police officers at the National Public Security Academy, coordination between the Academy and the National Civil Police should be improved. The Government of El Salvador has sought the cooperation of MINUSAL in carrying out an urgent evaluation of the performance of the National Civil Police and in making recommendations for improving its functioning and operation.

74. The consolidation of the public security institutions is taking place against a backdrop of greater demand for security in the light of the complicated crime situation which characterized the country during this period of transition. Consequently, there should be full cooperation with these institutions, and the training provided by the National Public Security Academy should be tailored to the needs identified by the National Civil Police during its deployment and operation. In this connection, the need to train more police officers, equipping them with sound legal and technical skills, has led to the identification of the following priority areas of assistance for the National Public Security Academy: (a) improvement of the curriculum to include a plan for standardization and refresher courses, a programme of specialization and a modular training plan; (b) consolidation of the system of further training for teachers and instructors; and (c) a more efficient admissions process.

D. Office of the National Counsel for the Defence of Human Rights

75. Consolidation of the rule of law and the protection of human rights are crucial to guaranteeing a lasting peace in El Salvador. The Office of the National Counsel for the Defence of Human Rights, as the main organ of the national human rights protection system, together with the judiciary and the oversight bodies of civil society, needs further strengthening. Consolidation

of the Office of the National Counsel has been accelerated by the dynamic efforts of its staff, especially the current one. Various bilateral donors and United Nations agencies, particularly ONUSAL, UNDP and UNICEF, have provided technical and financial assistance for the Office's functioning and development. This cooperation has offset the reduction in resources allocated under the national budget for proper functioning of the Office.

76. The Office of the National Counsel for the Defence of Human Rights has continued to conduct its activities in accordance with the legal provisions governing its operation. Its energies have been focused primarily on three areas: (a) verification of events or situations that might constitute violations of human rights; (b) institution-building; and (c) human rights promotion and education.

77. Recently, the Office of the National Counsel has been focusing on strengthening its mechanisms for the protection and supervision of civil and political rights. Those efforts benefited from the assistance and advice of ONUSAL and, in view of the withdrawal of ONUSAL from the country, additional cooperation coordinated by UNDP was provided through a project aimed at strengthening the Office's supervisory and management system. As a result of this cooperation, the Office is now better organized from an operational standpoint and uses methods and procedures which enable it to conduct adequate investigations of cases or situations that may constitute human rights violations. These reforms have been underpinned by a methodological framework based on a modern computerized system and by the development of other bilateral and multilateral projects.

78. As a result of these reforms, the Office of the National Counsel is better equipped to defend human rights. Its active involvement in finding solutions to the various social conflicts that have arisen in recent months and the qualitative and quantitative improvement in its solutions clearly demonstrate its institutional growth. In the area of human rights training and information activities, the Office continues to do dynamic and effective work which has received support from various non-governmental organizations and UNDP through PRODERE.

79. In addition to strengthening its supervisory and management system, the Office needs to make progress in other areas such as the machinery for the protection of economic, social and cultural rights; the strengthening of its departmental branch offices and associated offices; monitoring the legality of the activities of the National Civil Police and its own cooperation with the latter. The mechanism of public censorship and available legal remedies must be used more effectively in order to defend human rights within the framework of justice as provided for under the constitution. The Office also needs to establish closer ties with non-governmental human rights organizations. These priority areas will be developed during the second phase of a UNDP project financed by third parties.